

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 04 VILNIUS 000102

SIPDIS

SENSITIVE

FOR CODEL MCCAIN FROM AMBASSADOR STEPHEN D. MULL

STATE FOR EUR/NB, EUR/UMB, AND H (JAREDDY)

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [OVIP](#) [BO](#) [LH](#)

SUBJECT: SCENESETTER FOR CODEL MCCAIN

Introduction

1. (SBU) Senators McCain and Lieberman, a hearty welcome and our sincere thanks to you and your colleagues for traveling to Lithuania! Your visit will provide an opportunity to show gratitude to Lithuania for its staunch and unwavering support in the U.S.-led Global War on Terror and bolster international efforts to support democracy in Belarus. A meeting with Prime Minister Algirdas Brazauskas will afford you the chance to celebrate and strengthen the already exceptionally friendly bilateral relationship the United States shares with Lithuania. Discussions with regional parliamentary leaders and members of the Belarusian opposition will provide you with insight on events in the run-up to the March elections there and with a forum in which to reiterate the USG message on the way forward. Time permitting, I would also like to take advantage of your visit here to press the Lithuanian government on approving restitution for Jewish communal property that the Nazis and Communists confiscated ? an issue now at a critical juncture here.

Background

2. (U) Rapid economic growth and development characterize Lithuania's trajectory from Soviet occupation to a maturing democracy and free-market economy. Politically, Lithuania strives to deepen the transatlantic alliance and present itself as an active participant in international political fora. Our coalition partner in Iraq, ally in the United Nations and NATO, and a leading exporter of democracy in a difficult neighborhood, Lithuania has risen to donor status farther afield in Iraq and Afghanistan. Lithuania's footprint goes far beyond what one would expect from a country of such small size (population 3.4 million) and with such a short time on the field. On the home front, Lithuania weathered a turbulent presidential impeachment in 2004 that put the young democracy under international scrutiny. Closely adhering to transparent democratic principles and procedures, Lithuania returned a centrist, unifying figure to the presidency.

Growing Pains of a Maturing Democracy

3. (U) Prime Minister Algirdas Brazauskas ? a former communist official who bolted from Moscow control in the late 1980's to join Lithuania's independence movement ? looks forward to greeting you in the first event of your visit. The Prime Minister leads a fractious government of four leftist/populist coalition partners that have generally been strongly supportive of U.S. foreign policy initiatives. Its penchant for political infighting and scandal has fatigued many average Lithuanians, who generally express growing cynicism with the democratic process in public opinion polls. President Valdas Adamkus, who will not have returned from overseas travel in time for your visit, began his second term as President on July 12, 2004. Adamkus, a former American citizen and U.S. EPA official, previously served as president from 1997 to 2002, when he lost his bid for reelection to populist Rolandas Paksas. Adamkus regained the presidency following Paksas' impeachment and removal from office in April 2004 in proceedings that rocked the nation and tested the democratic institutions of the young republic.

4. (U) Lithuanian voters widely supported the country's entrance into the European Union and NATO in 2004. These memberships were the first steps in Lithuania's long-term political strategy that envisions a leadership role in OSCE and ECOSOC, membership in OECD, and active participation in NATO and the EU.

Growing Economy

15. (U) Lithuania is one of the fastest growing economies in Europe. The country's robust economic growth continues, with GDP growth in 2005 reaching 7.3 percent. Analysts forecast annual average real GDP growth of 6 percent in 2006. Domestic demand will continue to drive economic growth, as households benefit from wage increases, falling unemployment, and low interest rates. Lithuania looks to attract foreign investment to sustain long-term growth, which complements our own objective of attracting more U.S. investment to this dynamic economy. The U.S. is the seventh largest source of foreign direct investment in Lithuania, and runs a trade deficit, with imports exceeding U.S. exports by about USD 144 million in 2004. An increasingly urgent problem for Lithuania is its loss of skilled labor to higher paying jobs elsewhere in the European Union; a challenge that Lithuania's shrinking population only magnifies.

16. (U) Uncertainty surrounds the future of the Lithuania's Mazeikiu Nafta (MN) oil refinery, currently under management of the major shareholder Yukos. MN accounts for two percent of GDP and is one of the largest employers in the country. The leading candidates to purchase the refinery are currently the Polish PKN Orlen and Kazak Kazmunay, but other contenders, including the U.S. firm ConocoPhillips, have ties to Russian energy companies. Continued economic growth depends to a large extent on the ability of the oil refinery, terminal, and pipeline complex to maintain stable supplies of oil.

An Enemy of Lithuania is an Enemy of the U.S.

17. (U) Common values, a history of mutual support, and common goals for regional security bind Lithuania and the United States. Lithuania continues to recognize a debt of gratitude to the United States for having maintained a policy of non-recognition of Baltic annexation throughout the years of Soviet occupation. Following the restoration of Lithuania's independence, the United States cemented the friendship, providing political and financial support to Lithuania, welcoming the country into the transatlantic alliance, and supporting Lithuanian membership in NATO and the European Union.

18. (U) Lithuania is a reliable transatlantic partner and a strong advocate of NATO's central role in ensuring security in the Euro-Atlantic area. As a new member of NATO, Lithuania has politically and materially supported the alliance's international missions. Lithuania currently has boots on the ground in Afghanistan in support of ISAF, and leads a multinational Provincial Reconstruction Team in Chaghcharan in Afghanistan's remote Ghorz province. In Iraq, Lithuanian soldiers serving under Danish and Polish command assist in maintaining public order and are involved with rebuilding and reconstruction efforts. British, Danish, and Polish commanders have all commended Lithuanian soldiers' skills and professionalism. The Lithuanian Parliament has already authorized these international deployments through the end of 2007. Lithuania further contributed to international missions by dispatching a military water purification team to Pakistan as part of the relief effort. Lithuanian soldiers have also performed admirably as peacekeepers in the Balkans. This year, they will begin serving with Polish and Ukrainian personnel in a joint peacekeeping battalion in Kosovo.

A Friend to the U.S. in Time of Need

19. (U) Lithuania offered more than 8,000 food rations, ten water pumps, and medical supplies to victims of Hurricane Katrina. (Ultimately, FEMA decided that the assistance was not required.) The Lithuanian Red Cross raised more than \$16,000 in private donations; one elderly woman donated her entire life savings to the relief effort in gratitude for U.S. support for Lithuania.

The Special Lithuanian-U.S. Relationship

10. (U) Starting in the 19th century, thousands of Lithuanians fled poverty and oppression in their homeland and immigrated to the United States. These longstanding ties of family and culture remain strong, and the Lithuanian-American community is well-organized and active. After World War II, Lithuanians received decisive moral support from the United States, which refused to recognize the Soviet annexation of Lithuania. After regaining their independence, Lithuanians have continued to view our country more favorably than most Western Europeans. This

reflects longstanding goodwill toward the United States as well as the widely held view that the United States presents the only credible defense against recrudescing domination from the east.

Lithuanian-Russian Relations

¶11. (U) Lithuania works hard to maintain good relations with Russia. Mutual interests in transportation, energy, and security issues attract high-level attention in both Vilnius and Moscow. GOL and GOR leaders periodically convene an intergovernmental council to discuss concerns. The September 15, 2005 incursion and crash of a Russian SU-27 fighter-bomber in Lithuania's territory tested Lithuanian-Russian relations. Despite public expressions of pique from officials and politicians in both capitals, however, both governments maintain the episode will not have a lasting impact on bilateral relations. (The armed aircraft was part of a six-jet convoy traveling from St. Petersburg to Kaliningrad when it apparently experienced navigational problems, ran out of fuel, and crashed 90 miles west of Vilnius. The Russian pilot, who safely ejected, was placed under house arrest and questioned by Lithuanian authorities before returning to Russia.) The issue refocused public attention on the role and importance of NATO's Baltic air-policing mission for the region. American F-16s assumed command of this mission October 1, ¶2005. Polish fighters relieved our forces here on December 30, 2005.

Lithuania Active in the "Near Abroad"

¶12. (U) Lithuania's accession to the European Union and NATO opened new opportunities for the GOL to engage with its neighbors to the east, most notably in the context of the EU's "New Neighborhood" policy. Leveraging its historical experience as part of the Soviet Union, Lithuania seeks to assist the transition by former Soviet states to democracy and integration into European institutions such as the EU and NATO. President Adamkus was instrumental in mediating the election crisis in Ukraine, and Lithuania is one of the most vocal advocates for Ukraine's bid to become a member of the EU and NATO. Lithuania supports Moldova's aspiration to join the EU and encourages the countries of the South Caucasus to pursue European integration.

Belarus

¶13. (U) Lithuanian governmental and non-governmental organizations work with democratic forces in Belarus both bilaterally and through regional frameworks such as the U.S.-sponsored Enhanced Partnership in Northern Europe (EPINE). The Government and Parliament support election reform, political party development, and grass-roots efforts to build civil society in Belarus. Lithuania provides financial support and a temporary home for the European Humanities University, a Belarusian institution of higher learning in exile in Lithuania. Together with the USG and the EU, Lithuania is considering projects for radio and TV programming focusing on Belarusian youth. Lithuania serves as the NATO point of contact in Minsk, aiming to increase understanding of the alliance's mission and values. While Lithuania officially supports the policy of non-engagement with the Lukashenko regime, some among Lithuania's political and government leaders have challenged this policy for tactical and economic reasons. Prime Minister Brazauskas met in Vilnius in October of 2005 with Belarusian PM Sidorski in violation of an EU ban on contacts with high-level Belarusian officials. A significant number in Lithuania's political elite believes that isolating Belarus could push the country into a tighter embrace with Russia, which in turn could result in greater Russian pressure on Lithuanian independence.

¶14. (U) The March 19 presidential race in Belarus is big news in Lithuania. Previously scheduled for mid-July, President Lukashenko announced the earlier date for elections only in December, giving opposition candidates little time to organize their campaigns and attract a significant number of voters. Aleksander Milinkevich emerged as a leading opposition candidate in October following elections held by the Coalition of Democratic Forces, the largest congress of democratic political parties and NGOs in Belarus. Brazauskas, as leader of the Lithuanian Social Democratic Party, just announced his support for Alexander Kozulin, the Social Democrat candidate in the Belarusian elections.

¶15. (U) Lithuania has urged the EU to focus on the

situation in Belarus and the need to make independent information available to the Belarusian people as a counterweight to the propaganda offered by state-controlled media. Lithuania has also set aside funds to send election observers to Belarus under the auspices of the OSCE.

Jewish Communal Property

16. (U) Lithuania has struggled for much of the past 15 years since regaining independence with making restitution for the costs of Nazi and Soviet occupation, and it has succeeded to a great extent. There is a process underway to provide restitution to Lithuanian citizens for lost private property, and the government has returned almost all confiscated religious property to Lithuania's various religious communities. An important exception to this process has been in the area of Jewish communal property ? community centers, clinics, libraries and other property that Lithuania's prewar community held communally. We have been working with U.S. Jewish community representatives and the Brazauskas government in support of legislation that will establish a restitution process, the proceeds of which will fund the revival of Jewish community life in Lithuania. The government is about to submit the draft legislation to the Parliament, where it could encounter some opposition. If you have the opportunity to raise the issue in your meeting with Brazauskas, your encouragement and support would help steel his commitment to supporting the legislation through to successful passage.

Preview of Your Visit

17. (SBU) I will greet your delegation upon arrival in Vilnius and provide a short preview of the day's events. We have confirmed a meeting in the morning with Prime Minister Brazauskas. The rest of the day's events will focus on Belarus, as you will meet with Belarusian opposition candidate Aleksander Milinkevich, participate in a roundtable discussion on the promotion of democracy throughout the former Soviet Union, and take part in a press conference. All of us here at Embassy Vilnius very much look forward to your visit.

MULL